

**STATE OF MICHIGAN
MICHIGAN ADMINISTRATIVE HEARING SYSTEM
ADMINISTRATIVE HEARINGS FOR THE
DEPARTMENT OF HUMAN SERVICES**

IN THE MATTER OF:



Reg. No.: 14-003462
Issue No.: 2009; 4009
Case No.: [REDACTED]
Hearing Date: September 18, 2014
County: Wayne (49)

ADMINISTRATIVE LAW JUDGE: Christian Gardocki

HEARING DECISION

Following Claimant's request for a hearing, this matter is before the undersigned Administrative Law Judge pursuant to MCL 400.9 and 400.37; 7 CFR 273.15 to 273.18; 42 CFR 431.200 to 431.250; 45 CFR 99.1 to 99.33; and 45 CFR 205.10. After due notice, a telephone hearing was held on September 18, 2014, from Detroit, Michigan. Participants included the above-named Claimant. Participants on behalf of the Department of Human Services (DHS) included [REDACTED], Medical Contact Worker.

ISSUE

The issue is whether DHS properly terminated Claimant's eligibility for Medical Assistance (MA) and State Disability Assistance (SDA) for the reason that Claimant is not a disabled individual.

FINDINGS OF FACT

The Administrative Law Judge, based on the competent, material, and substantial evidence on the whole record, finds as material fact:

1. Claimant was an ongoing MA and SDA benefit recipient.
2. Claimant's only basis for SDA eligibility was as a disabled individual.
3. Claimant's only basis for Medicaid benefits was as a disabled individual.
4. On [REDACTED], the Medical Review Team (MRT) determined that Claimant was not a disabled individual for purposes of MA and SDA eligibility (see Exhibits 1-2).

5. On [REDACTED], DHS terminated Claimant's eligibility for MA and SDA benefits, effective 5/2014, and mailed a Notice of Case Action informing Claimant of the termination.
6. On [REDACTED], Claimant requested a hearing disputing the termination of MA and SDA benefits.
7. On [REDACTED], the State Hearing Review Team (SHRT) determined that Claimant was not a disabled individual, in part, by reliance on Medical-Vocational Rule 202.20 (Exhibits 70-71).
8. On [REDACTED], an administrative hearing was held.
9. During the hearing, Claimant and DHS waived the right to receive a timely hearing decision.
10. During the hearing, the record was extended 14 days to allow each party to submit information concerning Claimant's Social Security Administration application dated [REDACTED]; an Interim Order Extending the Record was subsequently mailed to both parties.
11. Neither Claimant nor DHS presented additional evidence.
12. As of the date of the administrative hearing, Claimant was a 46-year-old male with a height of 5'9" and weight of 148 pounds.
13. Claimant's highest education year completed was the 12th grade, via general equivalency degree.
14. Claimant alleged disability based on sarcoidosis, loss of hearing, lower back pain, and depression.

CONCLUSIONS OF LAW

The Medical Assistance (MA) program is established by Title XIX of the Social Security Act and is implemented by Title 42 of the Code of Federal Regulations (CFR). DHS (formerly known as the Family Independence Agency) administers the MA program pursuant to MCL 400.10, et seq., and MCL 400.105. Department policies are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

The Medicaid program is comprised of several sub-programs which fall under one of two categories; one category is FIP-related and the second category is SSI-related. BEM 105 (10/2010), p. 1. To receive MA under an SSI-related category, the person

must be aged (65 or older), blind, disabled, entitled to Medicare or formerly blind or disabled. *Id.* Families with dependent children, caretaker relatives of dependent children, persons under age 21 and pregnant, or recently pregnant, women receive MA under FIP-related categories. *Id.* AMP is an MA program available to persons not eligible for Medicaid through the SSI-related or FIP-related categories though DHS does always offer the program to applicants. It was not disputed that Claimant's only potential category for Medicaid eligibility would be as a disabled individual.

Disability for purposes of MA benefits is established if one of the following circumstances applies:

- by death (for the month of death);
- the applicant receives Supplemental Security Income (SSI) benefits;
- SSI benefits were recently terminated due to financial factors;
- the applicant receives Retirement Survivors and Disability Insurance (RSDI) on the basis of being disabled; or
- RSDI eligibility is established following denial of the MA benefit application (under certain circumstances).

BEM 260 (7/2012) pp. 1-2

There was no evidence that any of the above circumstances apply to Claimant. Accordingly, Claimant may not be considered for Medicaid eligibility without undergoing a medical review process which determines whether Claimant is a disabled individual. *Id.*, p. 2. Prior to a medical analysis, recent SSA activity concerning Claimant's claim of disability must be factored.

The Social Security Administration's final determination that the client is not disabled/blind for SSI, not RSDI, takes precedence over an MRT determination. BEM 260 (7/2013), p. 3. Similar guidance is found elsewhere within DHS policies.

For MA, SSA's final determination that a client is not disabled/blind for SSI purposes supersedes MRT's/SHRT's certification. BAM 815 (7/2013), pp. 1-2. See BEM 260 to determine when to proceed with a medical determination for these clients. *Id.*

Eligibility for MA based on disability or blindness does not exist once SSA's determination is final. *Id.*, p. 3. SSA's determination that disability or blindness does not exist for SSI is final for MA if:

- The determination was made after 1/1/90, and
- No further appeals may be made at SSA; or
- The client failed to file an appeal at any step within SSA's 60 day limit, and
- The client is not claiming:
 - A totally different disabling condition than the condition SSA based its determination on, or
 - An additional impairment(s) or change or deterioration in his condition that SSA has not made a determination on.

BEM 260 (7/2013), p 3.

DHS presented an SOLQ (Exhibits 54-56). The SOLQ verified that Claimant received an unfavorable decision of SSI disability on [REDACTED]. Claimant's testimony suggested that he appealed the unfavorable decision to the Appeals Council, the final appeal allowed with SSA. Claimant testified that he lost his appeal.

There are occasions when clients misstate SSA steps of appeal. The record was extended 14 days to allow DHS and Claimant an opportunity to verify or refute Claimant's testimony. Neither side presented any evidence. Thus, Claimant's testimony was the best source of evidence of his SSA application status.

Presented evidence was not suggestive that Claimant has any new or worsening of symptoms. A Medical Examination Report (Exhibits 11-12) completed by Claimant's treating physician noted diagnoses of stable sarcoidosis and mild COPD. Physical restrictions were not noted. Other treatment documents from 2013 and 2014 (see Exhibits 13-35) were not suggestive of a new or worsening of impairments from a previous determination of disability by a State of Michigan administrative law judge (see Exhibits 62-69).

Based on the presented evidence, it is found that the denial of Claimant's SSI application is final. For purposes of Claimant's ongoing Medicaid eligibility, the denial of disability by SSA is found to be binding on DHS.

The State Disability Assistance (SDA) program which provides financial assistance for disabled persons is established by 2004 PA 344. DHS administers the SDA program pursuant to MCL 400.10, *et seq.*, and MAC R 400.3151-400.3180. DHS policies for SDA are found in the Bridges Administrative Manual (BAM), the Bridges Eligibility Manual (BEM) and the Reference Tables Manual (RFT).

SDA provides financial assistance to disabled adults who are not eligible for Family Independence Program (FIP) benefits. BEM 100 (1/2013), p. 4. The goal of the SDA program is to provide financial assistance to meet a disabled person's basic personal and shelter needs. *Id.* To receive SDA, a person must be disabled, caring for a disabled person, or age 65 or older. BEM 261 (1/2012), p. 1.

A person is disabled for SDA purposes if he/she:

- receives other specified disability-related benefits or services, see Other Benefits or Services below, or
- resides in a qualified Special Living Arrangement facility, or
- is certified as unable to work due to mental or physical disability for at least 90 days from the onset of the disability; or
- is diagnosed as having Acquired Immunodeficiency Syndrome (AIDS).

Id.

It has already been found that Claimant is not disabled for purposes of Medicaid benefits based on a finding that a SSA denial of disability is binding on DHS. For SDA eligibility, DHS policy does not explicitly state that SSA final determinations of disability are binding.

It is plausible that a claimant is ineligible for Medicaid benefits, but eligible for SDA benefits. Such a scenario would occur if a client was disabled for longer than 90 days (the durational requirement for SDA eligibility) but less than 12 months (the durational requirement for MA eligibility). For a client that received SDA benefits for a 12 month period, no known reason exists to not apply a final SSA determination to a claimant's ongoing SDA eligibility.

It is found that Claimant is not a disabled individual for purposes of SDA eligibility due to the final determination of "not disabled" made by SSA. Accordingly, DHS properly terminated Claimant's SDA eligibility.

DECISION AND ORDER

The Administrative Law Judge, based upon the above findings of fact and conclusions of law, finds that DHS properly terminated Claimant's MA and SDA benefit eligibility, effective 5/2014, based on a binding SSA determination that Claimant is not disabled. The actions taken by DHS are **AFFIRMED**.



Christian Gardocki
Administrative Law Judge
for Maura Corrigan, Director
Department of Human Services

Date Signed: **10/15/2014**

Date Mailed: **10/15/2014**

CG / hw

NOTICE OF APPEAL: A party may appeal this Hearing Decision in the circuit court in the county in which he/she resides, or the circuit court in Ingham County, within 30 days of the receipt date.

A party may request a rehearing or reconsideration of this Hearing Decision from the Michigan Administrative Hearing System (MAHS) within 30 days of the mailing date of this Hearing Decision, or MAHS may order a rehearing or reconsideration on its own motion.

MAHS may grant a party's Request for Rehearing or Reconsideration when one of the following exists:

- Newly discovered evidence that existed at the time of the original hearing that could affect the outcome of the original hearing decision;
- Misapplication of manual policy or law in the hearing decision which led to a wrong conclusion;
- Typographical, mathematical or other obvious error in the hearing decision that affects the rights of the client;
- Failure of the ALJ to address in the hearing decision relevant issues raised in the hearing request.

The party requesting a rehearing or reconsideration must specify all reasons for the request. MAHS will not review any response to a request for rehearing/reconsideration. A request must be *received* in MAHS within 30 days of the date this Hearing Decision is mailed.

A written request may be faxed or mailed to MAHS. If submitted by fax, the written request must be faxed to (517) 335-6088 and be labeled as follows:

Attention: MAHS Rehearing/Reconsideration Request

If submitted by mail, the written request must be addressed as follows:

Michigan Administrative Hearings
Reconsideration/Rehearing Request
P.O. Box 30639
Lansing, Michigan 48909-07322

cc:

